



Investor Network on
CLIMATE RISK
a project of **Ceres**



Carbon Asset Risk Update

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Carbon Asset Risk Initiative: accelerating impact

- **2013: 75 investors call on 45 companies to assess Carbon Asset Risk**
- **2014: All majors declare no risk of stranding.**
- **2015:**
 - **First 2 degrees scenarios from COP, STO, BHP**
 - **RDS, BP, STO endorse climate resolutions**
 - **Paris Agreement**
- **2016**
 - **Total admits risk of stranding**
 - **2DS impacting capex**



2014-2015 Proxy Results

- **Highest CAR votes in 2014**

- Anadarko 30%
- Kinder Morgan 27%
- Devon Energy 20.5%
- Average: 21%

- **Successful Withdrawals**

- Exxon
- Peabody
- First Energy
- Southern Company

- **Highest CAR votes in 2015**

- Marathon Oil 36%
- Anadarko 29.1%
- Energen Corp. 25.7%
- Average: 22.5%

- **Successful Withdrawals**

- Newfield Energy



Turning Point for CAR Votes

9 Targeted Resolutions

Average Vote: 38%

Company	Proxy Advisor Recommendation	Vote
AES Corp.	FOR	42%
Anadarko	FOR	42%
Chevron	FOR	41%
Devon	FOR	36%
ExxonMobil	FOR	38%
FirstEnergy	FOR	32%
Noble Energy	FOR	25%
Occidental	FOR	49%
Southern Co	FOR	34%



Milestones

- Global coalition of 80 investors publicly pre-declaring support for Exxon vote
- Mainstream acceptance of 2 degree scenario stress testing as new norm
 - Proxy Advisory Firm Recommendations
 - TCFD adopts scenario analysis as cornerstone of work
- 2 Degree testing produces changes in CapEx planning at ConocoPhillips, Total, Statoil



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Milestones

- Financial Press Adopts CAR Talking Points
 - WSJ, NYT, Financial Times, IBT
 - Moody's, S&P & Fitch issue new reports on transition risk and climate risk

FINANCIAL TIMES

Climate change

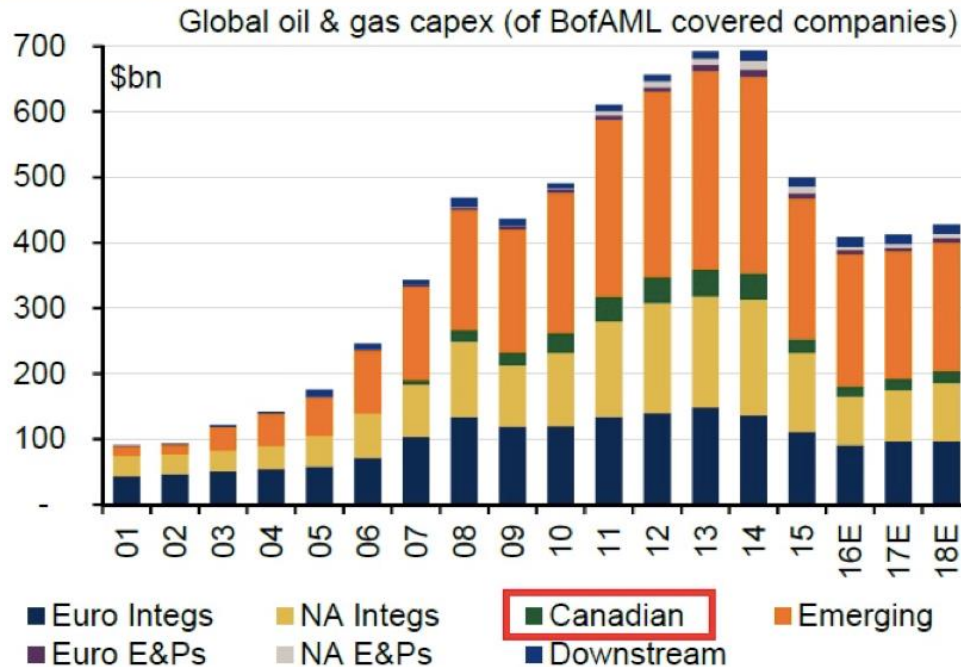
The long twilight of the big oil companies

Fossil fuel producers face a future of slow and steady decline



Key Moment in History

Chart 1: Capex in the global oil and gas industry has tumbled, with total spend falling from \$690bn in 2014 to just \$410bn this year...



Source: BofAML Global Research